

APPENDIX A

[FORM OF SERIES 2003A BOND]

No. _____ \$ _____

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
GENERAL OBLIGATION BOND, SERIES 2003A

BOND DATE: December 1, 2003 MATURITY DATE: October 1, _____ RATE OF INTEREST: _____ % CUSIP: _____

Registered Owner: CEDE & CO.

Principal Amount:

THE COMMONWEALTH DEVELOPMENT AUTHORITY (the "Authority"), for and in the name and on behalf of the Commonwealth of the Northern Mariana Islands (the "Commonwealth"), a commonwealth public entity, corporate and politic, duly organized and existing under and pursuant to its constitution (the "Constitution") and a covenant (the "Covenant") with the United States of America, for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, on the Maturity Date specified above the Principal Amount specified above, together with interest thereon from the interest payment date next preceding the date of authentication on this Bond (unless this Bond is authenticated on an interest payment date, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before the first Record Date (as defined herein) in which event it shall bear interest from December 1, 2003) until the principal hereof shall have been paid, at the Rate of Interest specified above, payable on April 1 and October 1 in each year, commencing April 1, 2004. Both the interest hereon and principal hereof are payable in lawful money of the United States of America. The principal hereof is payable by check upon surrender hereof at maturity hereof at the corporate trust office of _____ (together with any successor as paying agent, registrar and transfer agent, the "Paying Agent") at the address provided in the Indenture hereinafter identified. Interest hereon is payable by check mailed to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month preceding the applicable interest payment date (the "Record Date") at such person's address as it appears on the registration books of the Paying Agent as of the Record Date, or upon request of an owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to an account designated by such owner within the United States prior to the Record Date.

This Bond is one of a duly authorized issue of Commonwealth of the Northern Mariana Islands General Obligation Bonds, Series 2003A (the "Bonds"), limited in aggregate principal amount to \$40,000,000 all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities or interest rates), issued by the Authority for and in the name and on behalf of the Commonwealth. The Bonds are authorized and issued pursuant to the laws of the Commonwealth, including the Constitution, the Covenant, Public

Law 11-3 and Public Law 13-17, as amended (collectively, the "Law"), and pursuant to the provisions of the Indenture of Trust, dated as of December 1, 2003 (as originally executed and as it may be amended or supplemented, the "Indenture"), by and between the Authority and the Trustee. All Bonds are equally and ratably secured in accordance with the terms and conditions of the Indenture, and reference is hereby made to the Indenture, to any indentures supplemental thereto and to the Law for a description of the terms on which the Bonds are issued, for the provisions with regard to the nature and extent of the security provided for the Bonds and of the nature, extent and manner of enforcement of such security, and for a statement of the rights of the registered owners of the Bonds; and all the terms of the Indenture are hereby incorporated herein and constitute a contract with the registered owner from time to time of this Bond, and the registered owner of this Bond, by its acceptance hereof, consents and agrees to all the provisions thereof. Each registered owner hereof shall have recourse to all the provisions of the Indenture and shall be bound by all the terms and conditions thereof.

The Bonds are general obligations of the Commonwealth. As provided in the Law, interest and principal payments on the Bonds shall be a first charge on the general fund of the Commonwealth. The full faith and credit of the Commonwealth shall be and are pledged to the punctual payment of the principal thereof, and interest thereon, as the same shall become due, and sufficient revenues shall be raised or provided from time to time for the purpose of payment. The Bonds are additionally secured by a pledge of moneys deposited in the Land Compensation Fund pursuant to Public Law 13-17, as amended. The Bonds are not payable from or secured by any funds or properties of the Authority except moneys (if any) received from the Commonwealth specifically for such purpose.

The Bonds are subject to redemption prior to their respective stated maturities at the times, in the manner, at the redemption prices (with or without premium), upon the notice, with the effect and subject to the other terms and conditions set forth in the Indenture.

If this Bond is called for redemption and payment is duly provided herefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an event of default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, and such declaration and its consequences may be rescinded under certain circumstances as provided in the Indenture.

The Bonds are issuable only in the form of fully registered Bonds in the denomination of \$100,000 or any integral multiple of \$5,000 in excess thereof (not exceeding the principal amount of Bonds maturing at any one time). The owner of any Bond or Bonds may surrender the same at the above-mentioned office of the Paying Agent in exchange for an equal aggregate principal amount of fully registered Bonds of any other authorized denominations, in the manner, subject to the conditions and upon the payment of the charges provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon a register to be kept for that purpose at the above-mentioned office of the Paying Agent by the registered owner hereof in person, or by its duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the registered owner or

its duly authorized attorney, and thereupon a new fully registered Bond or Bonds, in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the interest hereon and principal hereof and for all other purposes, and the Authority and the Trustee and the Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the Authority and of the registered owners of the Bonds may be amended at any time, in the manner, to the extent and upon the terms provided in the Indenture.

Neither the legislators, or officers of the Commonwealth or the Authority nor any persons executing the Bonds shall be personally liable on the Bonds by reason of their issuance.

This Bond shall not be entitled to any benefits under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been signed by the Paying Agent.

It is hereby certified that all of the acts, conditions and things required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other indebtedness of the Commonwealth, does not exceed any limit prescribed by the Constitution or laws of the Commonwealth, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

IN WITNESS WHEREOF, the Commonwealth Development Authority has caused this Bond to be executed for and in the name and on behalf of the Commonwealth by the facsimile signature of the Chairman of the Authority and a facsimile of the signature of the Executive Director of the Authority, and has caused this Bond to be dated as of the Bond Date set forth above.

COMMONWEALTH OF THE NORTHERN
MARIANA ISLANDS

BY: COMMONWEALTH DEVELOPMENT
AUTHORITY, COMMONWEALTH OF
THE NORTHERN MARIANA ISLANDS

By _____
Chairman

By _____
Executive Director

[FORM OF PAYING AGENT CERTIFICATE OF AUTHENTICATION
TO APPEAR ON BONDS]

This is one of the Bonds described in the within-mentioned Indenture which has been authenticated and registered on the date set forth below.

DATED: _____

U.S. BANK NATIONAL ASSOCIATION, as
Paying Agent

By _____
Authorized Signatory

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent for registration of transfer,

exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.

[FORM OF ASSIGNMENT TO APPEAR
ON BONDS]

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned registered Bond and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer the same on the Bond register of the Paying Agent, with full power of substitution in the premises.

Dated: _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed: _____

Notice: Signature must be guaranteed by an eligible guarantor institution.

APPENDIX B-1

[FORM OF REQUISITION-MPLA Account]

REQUISITION NO.

Dated: _____, _____

TO: Bank of Guam, as Trustee,

As Trustee under that certain Indenture, dated as of December 1, 2003, by and between the Trustee and the Commonwealth Development Authority (the "Indenture"), providing for the issuance of the Commonwealth of the Northern Mariana Islands General Obligation Bonds, Series 2003A (the "Bonds"), you are hereby requested and instructed to take the actions described below with respect to the MPLA Account in the Project Fund established pursuant to the Indenture. Unless otherwise specified herein or unless the context otherwise requires, all capitalized terms used in this shall have the meanings specified in Section 1.01 of the Indenture.

Disbursement from MPLA Account. Pursuant to Section 3.02 of the Indenture, the Trustee is hereby requested to pay the itemized costs of the Project listed on Schedule A attached hereto with moneys in the MPLA Account. Each such payment is for a Project consisting of the acquisition of real property through funding the retirement of land compensation claims against the Commonwealth, with respect to which a claim has been approved by the MPLA Board, is based upon procedures established by the MPLA Board, and is a proper and lawful charge against said Account.

IN WITNESS WHEREOF, I have hereunto set my hand at my office on the date set forth above.

MARIANA PUBLIC LANDS AUTHORITY

By _____
Commissioner

The Secretary of Finance concurs in the disbursement set forth in this requisition:

Secretary of Finance

Schedule A

<u>Item No.</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose</u>
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APPENDIX B-2

[FORM OF REQUISITION-Prison Account]

REQUISITION NO. __

Dated: _____, _____

TO: Bank of Guam, as Trustee,

As Trustee under that certain Indenture, dated as of December 1, 2003, by and between the Trustee and the Commonwealth Development Authority (the "Indenture"), providing for the issuance of the Commonwealth of the Northern Mariana Islands General Obligation Bonds, Series 2003A (the "Bonds"), you are hereby requested and instructed to take the actions described below with respect to the Prison Account in the Project Fund established pursuant to the Indenture. Unless otherwise specified herein or unless the context otherwise requires, all capitalized terms used in this shall have the meanings specified in Section 1.01 of the Indenture.

Disbursement from Prison Account. Pursuant to Section 3.02 of the Indenture, the Trustee is hereby requested to pay the itemized costs of the Project listed on Schedule A attached hereto with moneys in the Prison Account. Each such payment is for the Project consisting of the prison project authorized by Public Law 12-64, as amended, and is a proper and lawful charge against said Account. In the case of each item with respect to which the Commonwealth is listed as the payee, the payment is to reimburse the Commonwealth for costs incurred by, and paid or to be paid by, the Commonwealth.

IN WITNESS WHEREOF, I have hereunto set my hand at my office on the date set forth above.

DEPARTMENT OF FINANCE OF THE
COMMONWEALTH OF THE NORTHERN
MARIANA ISLANDS

By _____
Title:

Schedule A

<u>Item No.</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose</u>
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CERTIFICATE OF SERVICE

I, VICENTE T. SALAS, hereby certify that on this 26th day of December, 2005, I have caused true and correct copies of the foregoing ***Defendants Commonwealth Development Authority and Maria Lourdes S. Ada's Notice of Hearing, Motions to Dismiss, Memorandum of Points and Authorities, Exhibit 1 and Certificate of Service*** to be served upon the following counsel via personal delivery:

Victorino DLG. Torres, Esq.
3rd Floor, Bank of Guam Bldg.
Garapan Village
Saipan, MP 96950
Counsel for defendant Bank of Guam

G. Patrick Civille, Esq.
Civille and Tang
Cabrera Center, Chalan LauLau
Saipan, MP 96950
*Counsel for defendants the
Commonwealth and Pamela Brown*

Kevin A. Lynch, Assistant Attorney General
CNMI Attorney General's Office
Department of Labor, Afetnas Square Bldg.
Saipan, MP 96950
Counsel for defendant Fermin M. Atalig

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P.O. Box 502876
San Jose, Saipan, MP 96950
Counsel for Plaintiff Rosario DLG. Kumagai

25 Dated: December 29, 2005.

Vicente T. Salas
VICENTE T. SALAS, CNMI Bar #F0126